



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

July 7, 2000

H.R. 4762

An act amending the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities

*As cleared by the Congress on June 29, 2000,
and signed by the President on July 1, 2000*

H.R. 4762 (enacted as Public Law 106-230), requires political organizations, as defined by section 527 of the tax code, with gross annual receipts of at least \$25,000 to disclose their political expenditures and contributions to the Internal Revenue Service (IRS). The law requires such organizations to disclose all annual expenditures equal to or in excess of \$500 and all annual contributions equal to or in excess of \$200. The law also requires that the IRS make the reported information available to the public.

Because Public Law 106-230 creates new penalties for violating its disclosure requirements, pay-as-you-go procedures apply. However, CBO estimates that additional payments to the federal government from such penalties, which are classified as governmental receipts (revenues), will total less than \$500,000 a year.

The CBO staff contact is John R. Righter. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.